Bill Includes Strong Sugar Provisions
May 21, 2008

WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (D-LA), co-chair of the House of Representative's Sugar Caucus, today voted to override the President's veto of H.R. 2419, the Farm, Conservation, and Energy Act of 2008, commonly known as the Farm Bill. The bill will expand food security programs, reform commodity and biofuel programs, and most importantly, renew the federal sugar policy that helps stabilize the domestic sugar market. Pending a successful override vote in the Senate, the bill will become law.

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"Small farmers need the price stability and predictability the Farm Bill provides," said. Rep. Melancon. "Without a Farm Bill, farmers cannot secure the loans they need to plan for the coming season. The President's veto today hurts the lifeblood of the Louisiana economy, especially in the Third Congressional District where growing sugar has been a way of life for centuries. While I am very disappointed in the President's veto, I am proud the House stood with farmers today and voted with overwhelming bipartisan support to make the Farm Bill law."

At the urging of Melancon and other advocates for sugar producers, Congress improved the sugar policy in several areas. The bill includes the first sugar loan rate increase in nearly 25 years. The sugar loan rate has held steady at 18-cents per raw cane pound since 1985. This measure will gradually increase that rate to 18.75 cents in 2011.

The Farm Bill also creates a sucrose-ethanol program to move surplus sugar into the ethanol sector. The program would be used only when imports oversupply the domestic market and cannot be used to clear domestic blocked stocks. Since Mexican-produced sugar has been able to enter the U.S. tariff free since Jan 1, 2008, this measure is particularly important to domestic sugar producers.

More than 27,000 Louisianans are employed by the state's $1.7 billion sugar industry. Stable domestic sugar production and prices are necessary for our nation's food security since sugar-containing products account for more than 70 percent of all food manufacturing in the U.S. The U.S. sugar policy has operated at no cost to taxpayers, which makes the program particularly appealing given current budget deficits.

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